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EFRAG  
Roger Marshall  
Acting President  
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Berlin, 09 January 2015

34. Sitzung IFRS-FA am 08.01.2015  
34\_08b\_IFRS-FA\_ASAF\_review\_ESN\_EFRAG

Dear Roger,

**IASB's review of the Accounting Standards Advisory Forum  
ERAG's questionnaire on liaison and representation in ASAF**

On behalf of the Accounting Standards Committee of Germany (ASCG) I am writing in response to EFRAG's request to members of the Consultative Forum of Standard Setters.

Although both your requests are addressed to non-members of ASAF we would like to convey our views as ASAF member.

For details, please see appendix 1 (our response to the IASB's questions) and appendix 2 (our response to EFRAG's questions to CFSS) attached to this letter.

If you would like to discuss any aspect of our comments further, please do not hesitate to contact me.

Yours sincerely,

*Liesel Knorr*  
President



## Appendix 1

# IASB Accounting Standards Advisory Forum (ASAF) Review – Questions to EFRAG CFSS

### (P3) Communications and Liaison Activities

Q5 The activities of ASAF are important to your organisations

*ASAF is the forum for input from National Standard Setters to IASB's deliberations*

Q6 The activities of ASAF assist your organisation in communicating its view to the IASB

*This depends on the process how ASAF members gather input from their constituents*

Q7 Your organisation has sufficient time to collate views and prepare your ASAF representative member in advance of the meeting

*Collating views on specific subjects and preparing an ASAF representative member is possible if the papers are available a month in advance of the ASAF meeting. The coordination between the IASB meetings and the ASAF meetings appears to be difficult on issues on the IASB's current agenda month after month (eg insurance contracts where the IASB moves on between sending papers to ASAF and the ASAF meeting)*

Q8 Your ASAF member has adequate time to liaise with your organisation and other organisations in your region on matters relating to ASAF agenda items

*It seems to work in most cases*

Q9 Adequate feedback is provided to the ASAF by the IASB on the views and advice expressed at ASAF meetings

*Summarising "what the IASB heard" after each agenda item helps agreeing on messages sent and received; a test case will be how the IASB will explain when waiving ASAF's advice on how to progress the Conceptual Framework project*

Q10 ASAF's activities are sufficiently transparent

*Again, the ED Conceptual Framework will be a good test case how ASAF input is taken up*



## Appendix 2

### Article 7.3.4 a) of EFRAG'S Statutes

The Board has the following responsibilities: to be responsible for all positions of the Association, after having considered the technical advice provided by the Technical Expert Group and reflecting the results of the Association's due process.

### SECTION 5 paragraph 3 of EFRAG's internal rules:

EFRAG CFSS prepares inter alia the IASB Accounting Standards Advisory Forum meetings in support of the European members of ASAF.

### *Internal preparation process for ASAF meetings*

EFRAG organises an EFRAG CFSS meeting before every ASAF meeting to gather the input on the main subjects on the ASAF agenda from all the National Standard Setters that are interested to share views. Before the EFRAG CFSS meeting takes place EFRAG staff organises conference calls with those National Standard Setters that are willing to participate in order to obtain early input on the various issues on the ASAF agenda.

### **ASCG's comments:**

- "EFRAG CFSS prepares the ASAF meetings in support of the European members of ASAF": if National Standard Setters are at liberty to file interest or not, where do EFRAG and the other European members of ASAF get input in case no or only very few National Standard Setters share their views?
- Where do EFRAG and the European members get input from for the non-main subjects? Who decides what the main subjects are?

### **1. Do you find the EFRAG CFSS meetings a useful way to provide your input to ASAF through the European representatives? What would you see as alternatives?**

The recent CFSS meetings did not gather a lot of input from National Standard Setters in general; they seemed to be more in a reactive than an active mode. And then, subjects (e.g. insurance contracts and leases, both hardly not main subjects, though very technical) were not put on the agenda.

In our view, EFRAG CFSS does not meet its objective as the input is limited both regarding subjects and volume of comments.

### **2. Are the subjects selected by EFRAG from the ASAF agenda appropriate?**

Although we understand the difficulties of gathering input on eg leases and insurance contracts, presenting the views of EFRAG staff or the Insurance Accounting Working Group does not seem to be in line with CFSS's objective as set in the internal rules.

### **Is the EFRAG CFSS agenda including the subjects you want to discuss?**

If CFSS is meant to prepare the European ASAF members, not discussing subjects leaves a void. This needs to be communicated clearly to all involved in the ASAF meetings: IASB, European and non-European members. If CFSS wants to delegate its mission, that should be made transparent.

### **3. Are the EFRAG CFSS agenda papers meeting your needs (contents, length) and are you receiving them sufficiently timely (within EFRAG's possibilities depending on the availability of ASAF papers)?**

No comment



**4. Do you consider the early input calls with EFRAG staff useful?**

No comment

**5. Are there any aspects of the preparation process you feel can be omitted or should be added?**

In ASG's view the selection process of subjects – if any – needs to be made transparent; there needs to be a clear understanding what EFRAG and the other European members of ASAF present where there is no CFSS input.

*Internal feedback process after ASAF meetings*

After each ASAF meeting a debriefing conference call is organised for EFRAG CFSS to give feedback on the main issues discussed.

**Questions**

**1. Do you find the EFRAG CFSS debriefing conference calls on ASAF discussions useful? Although EFRAG is facing a relatively low participation from EFRAG CFSS members, should it continue to offer these conference calls?**

The low participation seems to be a clear indicator of low interest.

**2. Are there any aspects of the feedback process you feel can be omitted or should be added?**

The debriefing could be done either in writing (by sending notes) and / or as part of the next meeting.

*Overall*

**Is EFRAG adequately representing the National Standard Setters that are not directly represented on ASAF?**

In our view, it seems difficult for EFRAG to claim representing National Standard Setters on subjects never discussed with CFSS (eg insurance contracts) or by presenting EFRAG staff papers (eg leases). We understand the difficulties of getting input on very technical issues. However, we are not aware of National Standard Setters having forfeited their representation to EFRAG (staff).